

Agency Proposed Budget

The following table summarizes the total executive budget proposal for the agency by year, type of expenditure, and source of funding.

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	84.03	0.00	4.58	88.61	0.00	4.58	88.61	88.61
Personal Services	4,223,764	198,465	498,979	4,921,208	211,332	550,461	4,985,557	9,906,765
Operating Expenses	833,711	56,553	62,362	952,626	22,016	55,919	911,646	1,864,272
Equipment	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Total Costs	\$5,057,475	\$255,018	\$561,341	\$5,873,834	\$233,348	\$606,380	\$5,897,203	\$11,771,037
General Fund	4,675,386	117,243	561,341	5,353,970	220,573	606,380	5,502,339	10,856,309
State/Other Special	281,148	137,953	0	419,101	12,953	0	294,101	713,202
Federal Special	100,941	(178)	0	100,763	(178)	0	100,763	201,526
Total Funds	\$5,057,475	\$255,018	\$561,341	\$5,873,834	\$233,348	\$606,380	\$5,897,203	\$11,771,037

Agency Description

The Montana School for the Deaf and Blind (MSDB), located in Great Falls, operating under the authority of Title 20-8-101 through 121, MCA, is part of Montana's educational system, and under the policy and governance of the State Board of Public Education. The school is a state funded special purpose school with a residential option for children and adolescents whose hearing or sight is a barrier to receiving proper education in the public schools of the state. MSDB also provides outreach educational services and serves as a resource center for parents of deaf and blind children, as well as state public schools and organizations that serve sensory impaired children. The mission of the school is to provide students with the "building blocks" to become independent, contributing members of society.

MSDB executes its mandated duties with 84.03 FTE and four programs: administration, general services (grounds and buildings), student services (residential), and education. In FY 2006 MSDB served a total population of 2,614, an 8.1 percent increase over the 2,418 served in FY 2004. The population served includes students enrolled in the education program, individuals receiving educational and audiological evaluations, outreach programs serving families and children ages 0 to 21 and public schools, and students attending summer and weekend programs.

Agency Highlights

School for the Deaf and Blind	
Major Budget Highlights	
♦	The Governor proposes increasing the budget by \$1.7 million, or 16.6 percent, over the doubled FY 2006 base budget. Present law adjustments are \$0.5 million and \$1.2 million are in new proposals. Increases include: <ul style="list-style-type: none"> • \$281,028 general fund to address recruitment and retention issues with professional staff • FTE and general fund to reduce caseloads for outreach consultants, implement accreditation recommendations, and increase the number of educational audiologists
♦	Increases of \$85,000 appropriated in the December 2005 Special Session are included in the statewide present law adjustments.
Major LFD Issues	
♦	Federal funds could be increased by allocating additional Individuals with Disabilities Education Act (IDEA) discretionary funds (Special education) to MSDB.

- ◆ Increases for teacher salaries included in BASE aid provided to local school district further increase the gap between teacher salaries for MSDB and the local school districts

Agency Discussion

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy.

As part of its appropriations deliberations the legislature may wish to review the following:

- Goals, objectives and year-to-date outcomes from the 2007 biennium
- Goals and objectives and their correlation to the 2009 biennium budget request

Any issues related to goals and objectives raised by LFD staff are located in the program section.

Included in the long-range building cash program is \$954,010 for improvements to MSDB. \$91,510 would be used to replace telephone hardware and software installed in 1983 and \$862,500 would be used to replace the boilers installed in the 1940's with two gas fired boilers. These projects are discussed further in Long Range Planning, Section F, Volume 7 of the Budget Analysis.

Funding

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2009 Biennium Executive Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Administration Program	\$ 856,532	\$ 4,320	\$ -	\$ 860,852	7.31%
02 General Services	1,073,607	-	-	1,073,607	9.12%
03 Student Services	2,461,749	-	54,374	2,516,123	21.38%
04 Education	<u>6,464,421</u>	<u>708,882</u>	<u>147,152</u>	<u>7,320,455</u>	<u>62.19%</u>
Grand Total	<u>10,856,309</u>	<u>713,202</u>	<u>201,526</u>	<u>11,771,037</u>	100.00%

MSDB's programs are funded primarily from the general fund, augmented by federal funding from Individuals with Disabilities Education Act, the school lunch program, and the Early Childhood Intervention Act. It also receives about \$710,000 each biennium in school trust interest earnings that are included in the state/other special revenues. This amount has been increased by \$134,511 in anticipation of increased earnings on the trust lands dedicated to the support of MSDB.

Biennium Budget Comparison

The following table compares the executive budget request in the 2009 biennium with the 2007 biennium by type of expenditure and source of funding. The 2007 biennium consists of actual FY 2006 expenditures and FY 2007 appropriations.

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	Present Law Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Biennium Fiscal 06-07	Total Exec. Budget Fiscal 08-09
FTE	84.03	4.58	88.61	84.03	4.58	88.61	84.03	88.61
Personal Services	4,422,229	498,979	4,921,208	4,435,096	550,461	4,985,557	8,713,695	9,906,765
Operating Expenses	890,264	62,362	952,626	855,727	55,919	911,646	1,570,233	1,864,272
Equipment	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Total Costs	\$5,312,493	\$561,341	\$5,873,834	\$5,290,823	\$606,380	\$5,897,203	\$10,283,928	\$11,771,037
General Fund	4,792,629	561,341	5,353,970	4,895,959	606,380	5,502,339	9,516,222	10,856,309
State/Other Special	419,101	0	419,101	294,101	0	294,101	563,900	713,202
Federal Special	100,763	0	100,763	100,763	0	100,763	203,806	201,526
Total Funds	\$5,312,493	\$561,341	\$5,873,834	\$5,290,823	\$606,380	\$5,897,203	\$10,283,928	\$11,771,037

New Proposals

The "New Proposals" table summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	Fiscal 2008					Fiscal 2009				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Retention/Recruitment of Highly Qualified Staff										
04	0.00	213,857	0	0	213,857	0.00	265,050	0	0	265,050
DP 3 - Expansion of Outreach Services										
04	3.08	227,663	0	0	227,663	3.08	221,509	0	0	221,509
DP 4 - Guidance Counselor										
04	0.73	42,676	0	0	42,676	0.73	42,676	0	0	42,676
DP 6 - Educational Audiologist										
04	0.77	56,418	0	0	56,418	0.77	56,418	0	0	56,418
DP 314 - Per Educator Component Increase										
03	0.00	7,669	0	0	7,669	0.00	7,823	0	0	7,823
DP 414 - Per Educator Component Increase										
04	0.00	13,058	0	0	13,058	0.00	12,904	0	0	12,904
Total	4.58	\$561,341	\$0	\$0	\$561,341	4.58	\$606,380	\$0	\$0	\$606,380

Program Proposed Budget

The following table summarizes the total executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00	5.00
Personal Services	293,382	4,872	0	298,254	5,225	0	298,607	596,861
Operating Expenses	91,606	56,071	0	147,677	24,708	0	116,314	263,991
Total Costs	\$384,988	\$60,943	\$0	\$445,931	\$29,933	\$0	\$414,921	\$860,852
General Fund	384,549	59,222	0	443,771	28,212	0	412,761	856,532
State/Other Special	439	1,721	0	2,160	1,721	0	2,160	4,320
Total Funds	\$384,988	\$60,943	\$0	\$445,931	\$29,933	\$0	\$414,921	\$860,852

Program Description

The Administration Program staff provide purchasing, accounting, personnel functions, and management of business affairs for the school.

Program Highlights

Administration Program Major Budget Highlights	
♦ The executive requests no changes except statewide present law adjustments	

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as recommended by the Governor.

Program Funding Table Administration Program						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 384,549	99.9%	\$ 443,771	99.5%	\$ 412,761	99.5%
01100 General Fund	384,549	99.9%	443,771	99.5%	412,761	99.5%
02000 Total State Special Funds	439	0.1%	2,160	0.5%	2,160	0.5%
02050 School Trust Interest/Income	439	0.1%	2,160	0.5%	2,160	0.5%
Grand Total	\$ 384,988	100.0%	\$ 445,931	100.0%	\$ 414,921	100.0%

The administrative program is funded with general fund and less than \$2,500 per year from the school's land trust earnings.

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				17,548					17,915
Vacancy Savings				(12,676)					(12,690)
Inflation/Deflation				480					480
Fixed Costs				55,591					24,228
Total Statewide Present Law Adjustments				\$60,943					\$29,933
Grand Total All Present Law Adjustments				\$60,943					\$29,933

Program Proposed Budget

The following table summarizes the total executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	151,820	5,851	0	157,671	7,418	0	159,238	316,909
Operating Expenses	365,011	15,954	0	380,965	10,722	0	375,733	756,698
Capital Outlay	0	0	0	0	0	0	0	0
Total Costs	\$516,831	\$21,805	\$0	\$538,636	\$18,140	\$0	\$534,971	\$1,073,607
General Fund	516,831	21,805	0	538,636	18,140	0	534,971	1,073,607
Total Funds	\$516,831	\$21,805	\$0	\$538,636	\$18,140	\$0	\$534,971	\$1,073,607

Program Description

General Services Program staff is responsible for general upkeep and maintenance of the school's eight buildings and 18.5 acre campus.

Program Highlights

General Services Program Major Budget Highlights	
◆ Changes are dominated by statewide present law adjustments.	

Program Narrative

The 2005 Legislature increased general fund appropriations to this program by \$75,000 each year to address repair and maintenance issues on the campus. MSDB FY 2006 maintenance expenditures were \$101,839 including the additional \$75,000. Major expenditures included:

- Asphalt overlay to the main parking lot
- Replace a commercial dishwasher and oven in the food services building
- Replace gas water heaters and pool heater
- Replace carpet in classrooms
- Replace curb cut and fill islands in parking lot with concrete
- Replace several windows in the cottages

In the 2009 biennium MSDB anticipates using the funds to:

- Re-key the campus complex to increase security over the buildings
- Install a video surveillance system to increase security and reduce vandalism
- Replace carpet and linoleum in the cottages
- Replace additional windows on the campus
- Replace additional ovens in the food service building
- Replace additional water heaters in the cottages

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as recommended by the Governor.

This program is funded entirely with general fund.

Program Funding Table						
General Services						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 516,831	100.0%	\$ 538,636	100.0%	\$ 534,971	100.0%
01100 General Fund	516,831	100.0%	538,636	100.0%	534,971	100.0%
Grand Total	<u>\$ 516,831</u>	<u>100.0%</u>	<u>\$ 538,636</u>	<u>100.0%</u>	<u>\$ 534,971</u>	<u>100.0%</u>

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				12,422					14,053
Vacancy Savings				(6,571)					(6,635)
Inflation/Deflation				27,933					29,369
Fixed Costs				(11,979)					(18,647)
Total Statewide Present Law Adjustments				\$21,805					\$18,140
Grand Total All Present Law Adjustments				\$21,805					\$18,140

Program Proposed Budget

The following table summarizes the total executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	29.74	0.00	0.00	29.74	0.00	0.00	29.74	29.74
Personal Services	1,034,738	99,404	7,669	1,141,811	107,098	7,823	1,149,659	2,291,470
Operating Expenses	109,843	2,079	0	111,922	2,888	0	112,731	224,653
Total Costs	\$1,144,581	\$101,483	\$7,669	\$1,253,733	\$109,986	\$7,823	\$1,262,390	\$2,516,123
General Fund	1,117,394	101,483	7,669	1,226,546	109,986	7,823	1,235,203	2,461,749
Federal Special	27,187	0	0	27,187	0	0	27,187	54,374
Total Funds	\$1,144,581	\$101,483	\$7,669	\$1,253,733	\$109,986	\$7,823	\$1,262,390	\$2,516,123

Program Description

The Student Services Program provides residential care for children living at the school. The residential program includes two cottages, each having three wings connected by a food service building.

Program Highlights

Student Services Program Major Budget Highlights	
♦	The executive proposes no changes except statewide present law adjustments.
♦	Personal services increase \$206,500 and inflation increases \$4,960 over the biennium.

Program Narrative

The 2005 Legislature eliminated \$87,901 of vacancy savings for this program in the 2007 biennial budget to allow MSDB to address recruitment and retention issues with staff. MSDB increased salaries in this program.

The costs of providing residency for students are wholly supported by the general fund as are the costs of providing students with travel to their homes each month and on holidays. Non-employee travel costs have increased 64 percent in the last five years. For example, FY 2006 student travel costs were \$6,608 higher than budgeted, in part due to the significant increase in the cost of gasoline. Non-employee travel is budgeted at the same amount as FY 2006, or \$44,380, in the next biennium.

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as recommended by the Governor.

Program Funding Table Student Services						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 1,117,394	97.6%	\$ 1,226,546	97.8%	\$ 1,235,203	97.8%
01100 General Fund	1,117,394	97.6%	1,226,546	97.8%	1,235,203	97.8%
03000 Total Federal Special Funds	27,187	2.4%	27,187	2.2%	27,187	2.2%
03167 National School Lunch	27,187	2.4%	27,187	2.2%	27,187	2.2%
Grand Total	<u>\$ 1,144,581</u>	<u>100.0%</u>	<u>\$ 1,253,733</u>	<u>100.0%</u>	<u>\$ 1,262,390</u>	<u>100.0%</u>

The student services program is funded by general fund and federal funds from the national school lunch program.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Governor. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					146,691					154,701
Vacancy Savings					(47,287)					(47,603)
Inflation/Deflation					2,079					2,888
Total Statewide Present Law Adjustments					\$101,483	\$109,986				
Grand Total All Present Law Adjustments					\$101,483	\$109,986				

LFD COMMENT

However, due to a large number of vacancies (11 percent in FY 2006) the program did not use all of its appropriation authority for personal services in FY 2006. The executive has included vacancy savings of \$94,890 in the 2009 biennial budget.

New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 314 - Per Educator Component Increase										
03	0.00	7,669	0	0	7,669	0.00	7,823	0	0	7,823
Total	0.00	\$7,669	\$0	\$0	\$7,669	0.00	\$7,823	\$0	\$0	\$7,823

DP 314 - Per Educator Component Increase - The per educator component was created by the legislature in the December 2005 Special Session to ensure the State of Montana is providing resources for all of the components of a basic system of quality education as defined in 20-9-309, MCA. The increase is \$790 per educator in FY 2008 and in FY 2009. Total cost for the School for the Deaf and Blind Student Services Program will be \$15,492 for the biennium.

LFD COMMENT

DP 314 Per Educator Component Increase

The per quality educator component was created by the legislature during the December 2005 Special Session to provide resources for components of the basic system of quality education as defined in 20-9-309, MCA. The increase is \$790 per quality educator in FY 2008 and FY 2009.

Program Proposed Budget

The following table summarizes the total executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	45.29	0.00	4.58	49.87	0.00	4.58	49.87	49.87
Personal Services	2,743,824	88,338	491,310	3,323,472	91,591	542,638	3,378,053	6,701,525
Operating Expenses	267,251	(17,551)	62,362	312,062	(16,302)	55,919	306,868	618,930
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$3,011,075	\$70,787	\$553,672	\$3,635,534	\$75,289	\$598,557	\$3,684,921	\$7,320,455
General Fund	2,656,612	(65,267)	553,672	3,145,017	64,235	598,557	3,319,404	6,464,421
State/Other Special	280,709	136,232	0	416,941	11,232	0	291,941	708,882
Federal Special	73,754	(178)	0	73,576	(178)	0	73,576	147,152
Total Funds	\$3,011,075	\$70,787	\$553,672	\$3,635,534	\$75,289	\$598,557	\$3,684,921	\$7,320,455

Program Description

The Education Program provides an education for children with hearing and/or sight loss that prevents them from receiving a quality education in their local schools. The Education Program serves visually and hearing impaired children who remain in their local school districts by providing deaf/blind educational support services to the students' local schools. The program also offers "mainstream" programs for on-campus students in a joint effort with the Great Falls public school system. Additionally, pursuant to 20-8-102(3), MCA, the school is charged with the responsibility of tracking a child identified as hearing or visually impaired from the time of impairment identification through the child's exit from intervention or educational services.

The Education Program serves approximately 75 children enrolled at MSDB, and provides support services to public schools providing education to children qualified to attend MSDB, but who wish to remain in their local school districts. There are 61 employees representing 49.87 FTE providing services including 6 teachers working with deaf students, 14 teachers for the blind, 9 interpreters, 12 teaching assistants, 9 outreach consultants, 7 professional support staff, 1 administrator, 1 clerical, 1 librarian, and 1 lifeguard.

Program Highlights

Education Program Major Budget Highlights	
The executive proposes increasing:	
<ul style="list-style-type: none"> ◆ General fund by up to \$281,028 to address recruitment and retention issues with professional staff ◆ FTE and general fund to: <ul style="list-style-type: none"> • Reduce caseloads for outreach consultants • Implement accreditation recommendation for a guidance counselor • Increase the number of education audiologist 	
Major LFD Issues	
<ul style="list-style-type: none"> ◆ Federal funds could be significantly increased by allocating additional federal IDEA discretionary funds to MSDB ◆ Increases for teacher salaries included in BASE aid provided to local school district further increase the gap between teacher salaries for MSDB and the local school districts 	

2007 Biennium Program Narrative

House Bill 438 required MSDB to provide outreach and Braille services to blind or visually impaired children. MSDB received \$440,000. It established a Braille electronic equipment loan program and used the funds in purchasing equipment and hiring 4.0 FTE as outreach consultants.

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as recommended by the Governor.

Program Funding Table						
Education						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 2,656,612	88.2%	\$ 3,145,017	86.5%	\$ 3,319,404	90.1%
01100 General Fund	2,656,612	88.2%	3,145,017	86.5%	3,319,404	90.1%
02000 Total State Special Funds	280,709	9.3%	416,941	11.5%	291,941	7.9%
02050 School Trust Interest/Income	280,709	9.3%	416,941	11.5%	291,941	7.9%
03000 Total Federal Special Funds	73,754	2.4%	73,576	2.0%	73,576	2.0%
03012 E.C.I.A. Chapter I	73,754	2.4%	73,576	2.0%	73,576	2.0%
Grand Total	<u>\$ 3,011,075</u>	<u>100.0%</u>	<u>\$ 3,635,534</u>	<u>100.0%</u>	<u>\$ 3,684,921</u>	<u>100.0%</u>

The education program is funded by general fund, state special revenue from school trust lands, rental income, and reimbursements from school districts for large print and Braille materials, and federal grants used to meet special education program needs.

LFD ISSUE

The students served by MSDB are considered children with special needs under federal statute and are included in the population used to determine the amount of federal Individuals with Disabilities Education Act (IDEA) funding for special education Montana receives. These children are unable to receive an education in their local school districts and require specialized educational services provided by MSDB. The amount of federal IDEA funding has increased significantly over the five years, while MSDB IDEA funding has remained constant. See Figure 1

Montana was estimated to receive \$33.9 million (\$1,736 per student) in federal IDEA funding in FY 2006. MSDB received \$60,000 (\$800 per student due to funding allocation methods) even though:

- Special education needs of MSDB students are higher than the special education needs of the majority of the students in local school districts (6 - 8 children at a time have multiple handicaps)
- MSDB outreach consultants provide for special education needs of deaf and blind students in local school districts, reducing the costs of providing these services for those local school districts

Figure 1		
Federal IDEA Grants to Montana		
	IDEA Funds	MSDB IDEA
FY 2001	\$19,591,702	\$60,000
FY 2002	23,559,507	60,000
FY 2003	28,124,597	60,000
FY 2004	32,188,959	60,000
FY 2005	33,927,757	60,000
FY 2006	\$33,879,040	\$60,000

Under federal guidelines each state can use 9 percent (\$2,880,000 in FY 2006) of the funds for discretionary priorities including such areas as providing direct services for deaf and blind children in state schools such as MSDB. Currently, based on OPI priorities, this funding is granted to local school districts for teacher professional development, which may or may not be used to benefit blind and deaf students.

The legislature may wish to direct OPI to allocate increased discretionary federal IDEA funds to MSDB. The funds could be used to:

- Address the need for outreach consultants for deaf and blind students in local school districts and the special education needs of students enrolled at MSDB
- Reduce general fund appropriated to MSDB

Any funds provided to MSDB would reduce the amounts of federal IDEA discretionary funds available to local school districts.

**LFD
ISSUE****Funding for Accreditation Standards**

MSDB completed a three entity accreditation review during FY 2006. Development of the MSDB library collection by updating the non-fiction collection to meet MSDB's curricular objectives was included in the recommendations. According to MSDB officials, the collection was considered adequate in terms of the number of books. However, a number of the non-fiction books were outdated, especially the reference materials. MSDB estimates they would require \$25,000 each biennium to update 5 percent of the library non-fiction collection.

In addition, they recommended increasing access to the public library services from MSDB. Staff estimate this would increase costs by \$4,000 over the biennium. These costs are not included in the FY 2006 base budget. In order to meet these standards MSDB may need to reduce costs in other areas. The legislature may wish to request MSDB present options for funding these additional costs.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Governor. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
Fiscal 2008					Fiscal 2009					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				176,807						180,193
Vacancy Savings				(114,712)						(114,845)
Inflation/Deflation				24,680						26,006
Fixed Costs				(14)						(14)
Total Statewide Present Law Adjustments				\$86,761						\$91,340
DP 1 - Extracurricular Compensation										
0.00	26,243	0	0	26,243	0.00	26,243	0	0	26,243	
DP 7 - Special Session 2005 - Indian Ed & Achievement Gap										
0.00	2,387	0	0	2,387	0.00	2,387	0	0	2,387	
DP 9 - Replace Motor Pool Lease Van										
0.00	3,938	0	0	3,938	0.00	3,861	0	0	3,861	
DP 12 - HB 438 Initial Equipment Reduction										
0.00	(48,542)	0	0	(48,542)	0.00	(48,542)	0	0	(48,542)	
DP 21 - Indirect Costs Corrections										
0.00	0	0	0	0	0.00	0	0	0	0	
Total Other Present Law Adjustments										
0.00	(\$15,974)	\$0	\$0	(\$15,974)	0.00	(\$16,051)	\$0	\$0	(\$16,051)	
Grand Total All Present Law Adjustments				\$70,787						\$75,289

**LFD
COMMENT**

The 2005 Legislature eliminated \$188,299 of vacancy savings for this program in the 2007 biennial budget to allow MSDB to address recruitment and retention issues in this program. Vacancy savings of \$229,557 has been included in the 2009 executive budget. As a result of the elimination of vacancy savings, MSDB increased salaries for professional staff in this program, which are continued at the higher level in the budget. Although the long-term impacts are not known, the program had no vacancies in FY 2006.

DP 1 - Extracurricular Compensation - The Montana School for the Deaf and the Blind pays extracurricular compensation to employees who sponsor after school activities. Amounts paid to employees are contained in a collective bargaining agreement with MEA/MFT. Salaries and benefits total \$26,243.

**LFD
COMMENT**

The overtime for extracurricular activities is treated as a zero based account and is requested each biennium. The overtime was \$26,243 in FY 2006.

DP 7 - Special Session 2005 - Indian Ed & Achievement Gap - This decision package adds \$2,387 present law adjustment to the operating budget in each year for the Indian Education for All and Closing the Achievement Gap portion of the December 2005 Special Session appropriation. The total appropriation of \$85,000 included \$82,613 for salaries which is included in the Education Program personal services statewide present law adjustment.

DP 9 - Replace Motor Pool Lease Van - The school is requesting a Motor Pool lease van to replace a school van that has high mileage. The van will be used to transport students to activities around the Great Falls area.

DP 12 - HB 438 Initial Equipment Reduction - HB 438 in the 2005 Legislature appropriated \$195,731 for outreach services and \$48,542 for equipment start-up costs. As the start-up costs were for the first year only, this decision package reduces the base by \$48,542.

DP 21 - Indirect Costs Corrections - Indirect costs for federal programs are moved between expenditure line items from statewide indirect costs (62888) to indirect costs administrative (62827). This decision package has no effect on the overall operating costs for the program.

New Proposals

New Proposals										
Program	FTE	Fiscal 2008				FTE	Fiscal 2009			
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds
DP 2 - Retention/Recruitment of Highly Qualified Staff										
04	0.00	213,857	0	0	213,857	0.00	265,050	0	0	265,050
DP 3 - Expansion of Outreach Services										
04	3.08	227,663	0	0	227,663	3.08	221,509	0	0	221,509
DP 4 - Guidance Counselor										
04	0.73	42,676	0	0	42,676	0.73	42,676	0	0	42,676
DP 6 - Educational Audiologist										
04	0.77	56,418	0	0	56,418	0.77	56,418	0	0	56,418
DP 414 - Per Educator Component Increase										
04	0.00	13,058	0	0	13,058	0.00	12,904	0	0	12,904
Total	4.58	\$553,672	\$0	\$0	\$553,672	4.58	\$598,557	\$0	\$0	\$598,557

DP 2 - Retention/Recruitment of Highly Qualified Staff - This decision package (DP) provides market adjustments to licensed professional staff and interpreters with the purpose of assisting the school in recruiting and retaining these highly qualified staff. An additional \$478,907 in the 2009 biennium would allow MSDB to move towards market parity for the current 47 professional staff and nine interpreter-tutors.

The following information is provided so that the legislature can consider various performance management principles when examining this proposal. It is as submitted by the agency, with editing by LFD staff as necessary for brevity and/or clarity.

Justification: MSDB has 40 professional staff with special skills. Salary disparities with the Great Falls school district raise concerns that MSDB will not be able to retain current staff or attract new staff to replace the large number expected to retire.

Goals: Move towards market parity for the current 40 licensed professional staff and nine interpreter-tutors, and offer competitive salaries to mitigate the difficulties in recruiting and retaining qualified staff to maintain viable programs for Montana's deaf and blind students.

Performance Measures: Increase professional salaries based on comparison to Great Falls Public Schools salary schedules for licensed professional staff and the national salary for interpreters as of the beginning of the contract for the 2007-08 school year.

Milestones:

- Complete negotiations with collective bargaining units representing professional staff by August 2007.
- Calculate and notify staff of amounts by September 2007.

FTE: This proposal includes no new FTE. Negotiations with collective bargaining units are included as responsibilities for Department of Administration.

Funding: MSDB professional staff salaries are almost exclusively funded from the general fund. Under the current revenue structure, there is no other revenue source available to fund this proposal.

Obstacles: The Great Falls Public Schools may increase their teacher salaries in the next biennium, increasing the gap between MSDB salaries and GFPS salaries. The agency has not identified any other challenges which might block or impede the implementation of this proposal.

Risk: The risk to the state and MSDB is that sensory impaired students will not receive appropriate educational services as required by statute.

LFD ISSUE	<p>Performance Measures</p> <p>The performance measures discussed above do not include the amount of the proposed increase, what percentage of the Great Falls Public School district salary matrix MSDB wishes to attain to be competitive, or the percentage of the national salary matrix for interpreters MSDB wishes to attain. It also does not have any benchmarks for determining whether improved recruitment and retention has been achieved. The legislature may wish to specify more specific performance measurements.</p>
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LFD ISSUE	<p>Parity with Great Falls School District</p> <p>The 2005 Legislature considered the recruitment and retention issue related to MSDB. Included in the 2007 biennial budget was elimination of vacancy savings of \$188,299 and increased personal services of \$300,000 over the biennium. However, the legislature also increased base funding paid to school districts, which resulted in increases in salaries at the local level and created additional disparity between MSDB and the Great Falls Public Schools teacher salaries. If the legislature wishes to maintain parity of salaries at MSDB with the Great Falls school district, it may wish to consider adjusting MSDB personal services if increases for BASE aid provided to local school districts could result in increased teacher salaries.</p>
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DP 3 - Expansion of Outreach Services - This decision package provides for funding for 3.08 FTE for outreach consultants to provide consultation and technical assistance to districts that have sensory impaired children enrolled. One additional consultant would be added to serve blind/low vision students and three would be added to serve deaf/hard of hearing students.

The following information is provided so that the legislature can consider various performance management principles when examining this proposal. It is as submitted by the agency, with editing by LFD staff as necessary for brevity and/or clarity.

Justification: There are currently 99 hearing impaired and 187 visually impaired students served in over 90 school districts across Montana. Only five districts across the state employ teachers with additional training in the fields of deafness or blindness.

Goals: Reduce caseloads from 27 to 23 students for consultants serving visually impaired students and children ages 0 to 3, and from 49 to 20 students for consultants serving deaf students and children ages 0 to 3. Improve learning outcomes through greater access to the skills and knowledge through increased contact, consultation, and technical assistance.

Performance Criteria: After the implementation of this proposal, an analysis of caseloads will be conducted to collect the following data:

- Level of intensity of services required by each student; and
- Contact hours per student/child.

The data will then be used to ensure that consultants have balanced caseloads with no more than 20 to 27 students to assure the most efficient use of staff time.

Milestones:

- MSDB will hire 4 additional consultants prior to the start of the 2007-2008 school year
- Level of intensity of services required by each student will be assessed by September 2007
- Number of contact hours needed for each student will be determined by Individual Education Plan beginning September 2007

FTE:

- One additional consultant serving blind/low vision students - hired by August 2007.
- Three additional consultants serving deaf/hard of hearing students - hired by August 2007.

Funding: Funding for this decision package is from the general fund.

Obstacles: Recruitment and retention of qualified staff to fill these positions can be a challenge because salaries are not competitive with like positions in the state or the region (See DP 2. Recruitment and Retention of Highly Qualified Staff).

Risks: The majority of students served in the Outreach Program do not have teachers that have training specific to the student's disability. The risk to these students is limited access to the districts' curriculum resulting in an inadequate education.

LFD ISSUE	The performance measurements discussed above do not address how MSDB will determine the number of contact hours recommended for each student based on the level of intensity or what level of intensity results in how many contact hours. The performance measures also do not address how caseload numbers will be affected by providing services to children in 90 school districts across the state. The legislature may wish to specify more specific performance measurements.
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DP 4 - Guidance Counselor - CEASD in reviewing the MSDB's Education Program in March of 2006 recommended MSDB employ a certified counselor to provide direct services to students who need support. The guidance counselor would develop, coordinate, and implement a school counseling program. Additionally this position would provide a resource to local districts in assessing the needs of, and developing intervention plans for deaf or blind children with significant behavior or emotional issues.

DP 6 - Educational Audiologist - MSDB requests an educational audiologist to provide for statewide coordination of the Universal Newborn Infant Hearing Screening Program (UNHS), Hearing Conservation Program (HCP), and coordinate services and follow up on children identified with a hearing loss. During the 2004-2005 school year, MSDB's staff audiologist conducted 272 evaluations which is an increase of 156 percent over the 2000-2001 school year. The increased need for the services of the educational audiologist is in part the result of the success of the Universal Newborn Hearing Screening Program, and the increase in the number of children receiving cochlear implants. As of January 2005,

MSDB's registry of hearing impaired children included 21 toddlers and school age children with cochlear implants which require regular "mapping" or adjustments to maintain the accuracy of their output as well as very specific aural rehabilitation programs for children to learn how to effectively utilize the stimuli produced by the implant.

DP 414 - Per Educator Component Increase - The per quality educator component was approved by the legislature during the 2005 Special Session to provide resource for components of basic quality education as defined in 20-9-309, MCA. The executive proposes increasing the component by \$790 per quality educator in FY 2008 and FY 2009.